



July 31, 2021

1. Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.
2. Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400051.

Sub.: Q1 FY 21-22 Financial Results Conference Call – Investor Presentation

- Ref.: 1. Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**
2. Scrip Codes : BSE - 500165, NSE - KANSAINER

Dear Sirs,

Further to the intimation done by the Company on July 30, 2021, with respect to the conference call to be hosted by the Management of our Company on Monday, August 2, 2021 at 11 a.m. (IST) to discuss Q1 FY 2021-22 Financial Results of the Company, we are enclosing herewith an Investor Presentation.

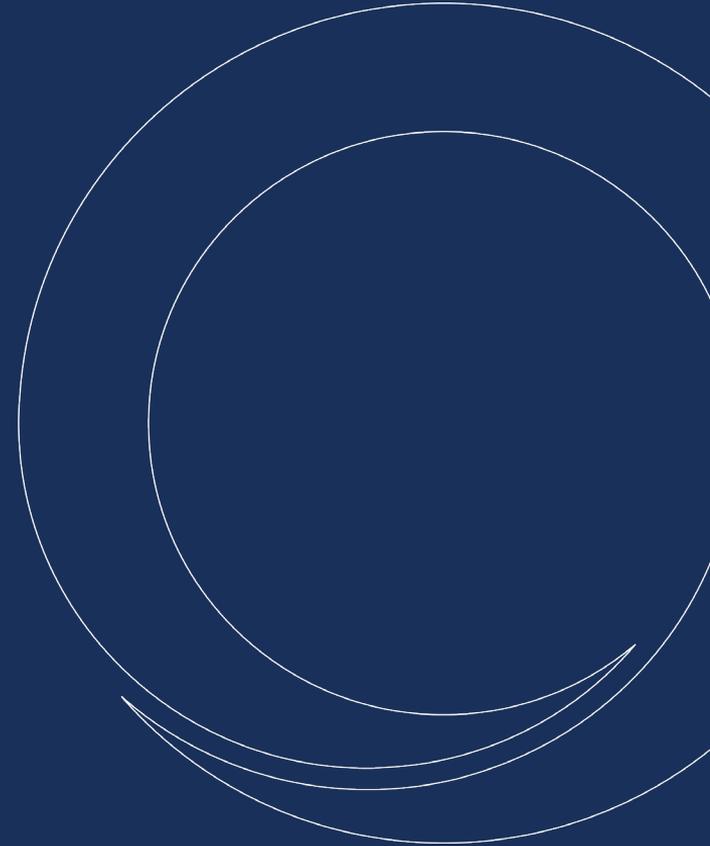
For **KANSAI NEROLAC PAINTS LIMITED**

G. T. GOVINDARAJAN
COMPANY SECRETARY

NEROLAC



Investor Presentation Q1 Update (FY 21-22)



Disclaimer

This presentation may contain statements which reflect management's current views and estimates and could be construed as forward making statements. The future involves certain risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

Agenda

Business Environment FY 21-22*

Financial Performance FY 21-22*

Business Review FY 21-22*

Risks and Future Outlook

**The details in the presentation are for the period April – June 2021*

Business Environment Q1 21-22

- ❑ Demand impacted towards the end of April to May due to lockdowns
- ❑ Overall growth was significantly higher in Q1 due to low base of LY Q1
- ❑ Decorative growth was better in Urban towns as compared to Rural
- ❑ Industrial Demand was also impacted due to lockdown. However growth was higher on account of low base.
- ❑ Rise continues in crude oil prices coupled with Forex Volatility
- ❑ Material Prices have seen further steep inflation in this quarter

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Standalone Q1 21-22

Rs. In Crores	Q1 2020-21	% to Net Sales	Q4 2020-21	% to Net Sales	Q1 2021-22	% to Net Sales
Net Revenue	598.1	100.0	1330.5	100.0	1301.2	100.0
Contribution	209.6	35.1	376.9	28.3	371.0	28.5
Overhead	129.1	21.6	173.5	13.0	183.9	14.1
PBDIT	80.5	13.5	203.4	15.3	187.1	14.4
Other Income	7.9	1.3	12.4	0.9	9.7	0.7
PBT	55.3	9.2	171.3	12.9	158.5	12.2
PAT	42.7	7.1	128.0	9.6	118.7	9.1

Growth - Net Revenue : 117.6%; PBDIT: 132.4% ; PAT : 177.8%
Inflation was steep in Q4 of 20-21 and continued in Q1 21-22.

Financial Analysis Q1 21-22

☐ Positive Factors

- Demand was good in April and June for Decorative
- Improved traction for new businesses and niche categories
- Better product mix
- Continued control on Overheads

☐ Negative Factors

- Raw material prices continued to firm up.
- Demand disruption due to lockdowns

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Risks and Future Outlook

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Decorative

**New TVC Launched for
Beauty Gold Washable**

“Safe bhi, Saaf bhi”



Market

- Demand was stronger in urban towns.
- Demand was affected in May and recovered well in June.

Highlights

- Emulsions recorded higher growth
- New businesses – Construction Chemicals, Adhesives & Premium Wood contributed well
- New products launched contributed more than 10% to sales
- Price increase to partially offset inflation taken in Q1
- New Apps launched for Influencers (Pragati)
- Dealer app is well accepted (Saathi)

Industrial

Market

- Covid related lockdowns impacted demand across OEMs.
- Production growth was high due to low base in Q1 LY

Highlights

- Company continued with its initiatives of gaining new and competition businesses
- Company continues to introduce newer technology products
- Price Increase has been taken in Industrial Coatings to partly offset inflation

Subsidiary Performance Q1 21-22

India

MARPOL

- Significant jump in Sales
- Merger with KNP in process

PERMA

- Good growth in Sales
- Product Range was expanded to new geographies
- Merger with KNP in process

NEROFIX

- Overall demand picked up and sales grew significantly
- Focus segments have shown good results

International

NEPAL

- More than 45 days lockdown in Q1 impacted demand

SRI LANKA

- More than 50 days lockdown impacted demand

BANGLADESH

- Company recorded good growth in Q1 despite lockdown

Business Environment FY 21-22*

Financial Performance FY 21-22*

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Risks and Future Outlook

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Risks and Outlook

□ Risk

- Inflationary trend likely to continue
- Any further lockdowns can disrupt demand

□ Outlook

- Markets are likely to see improvement in demand as the lockdowns ease up
- Automotive production also likely to speed up on account of pent-up demand
- Vaccination progress, good monsoon and Festival season could lead to better demand
- Our Emphasis will be on Price Increase in Industrial Products



THANK YOU